

20 DEC 1977

Executive Registry

77-1061081

GSA

Mr. John F. Galuardi
Regional Administrator, Region 3
General Services Administration
Washington, D.C. 20407

Dear Mr. Galuardi:

Your letter of November 28, 1977, to the Director of Central Intelligence regarding proposed policy for acquiring space in the National Capital Region (NCR) has been referred to this office for response.

The statistics enclosed with your letter certainly appear significant and the increases cited would indicate that some corrective action should be taken with regard to total federal space holdings in the NCR. CIA cannot, however, endorse a proposal for a blanket reduction of space holdings that does not take into consideration efficiencies and economies already achieved by individual agencies. Neither can CIA support total agency space holdings divided by total agency population as a meaningful space utilization statistic. As will be developed in the following paragraphs (and based on GSA published statistics for other federal agencies in the NCR), it is considered that CIA has the best, or very close to the best, space utilization in the federal government. In fact, CIA is "over utilizing" space to the point of lost operating efficiency, has justified acquisition of [redacted] additional square feet, and, as noted in a recent letter from Director Turner to Administrator Solomon, is prepared to present this requirement directly to President Carter if necessary.

As you are aware, CIA's space holdings in the NCR include special purpose space essential to the unique foreign intelligence mission of the Agency. In addition to a large warehousing facility, CIA controls [redacted] of space specially configured for functions such as photographic interpretation, technical

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intelligence collection and analysis systems, and encrypted communications centers. Space requirements to house these special functions must be based on case-by-case professional analysis with consideration for equipment environment, supporting utilities, and personnel/equipment safety. To this end, CIA maintains a staff of architects and engineers who, in coordination with consultants and equipment manufacturers, do continuing analyses of special purpose space utilization. In virtually every instance, Agency utilization is better than manufacturer's recommendations or commercial guidelines; however, in all of CIA's space utilization activity, no statistical standard of square feet per person (sfp) for the combination of special purpose, warehouse, and office, i.e., total agency, space has been identified.

CIA does concur, and strongly, that sfp ratios for office space utilization are valid statistical standards. GSA planning guideline ratios (varying from 60 sfp to 300 sfp for grade and supervisory responsibility and averaging about 150 sfp) are considered to be excellent indicators of the efficiency of space utilization. Using data from GSA's "Quarterly Report on Assignment and Utilization of GSA Controlled Space in the NCR," it is observed that agencies roughly comparable in size, mission, or grade structure have office utilization rates as follows: AID, 246 sfp; DoD, 150 sfp; and Department of State, 202 sfp. The average for all agencies in the NCR is 171 sfp and GSA lists for itself 201 sfp. By contrast, the CIA office utilization rate for the NCR is [redacted] in CIA's main facility at Langley. If all other agencies in the NCR achieved CIA's utilization rate (admittedly too spartan; [redacted] space is mandatory), GSA could reduce office space by some 11 million square feet in the NCR. CIA has achieved this utilization ratio, not only from continuing professional analysis by its architect/engineering staff, but also by circulation at top management levels of a quarterly computerized space utilization report identifying component usage down to the fifth supervisory echelon. For all of the above reasons (well known to GSA officers of your property management staff who have toured the facilities and observed the computerized space utilization report) CIA must object, and object strenuously, to any proposal for a blanket reduction in space holdings without regard to individual agency efficiencies.

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It is recommended that GSA approach space economies by first establishing rigid but reasonable utilization ratios for office space; efficiency in special purpose space utilization should, perforce, follow. CIA would be pleased to participate or assist in any way possible in establishing quantifiable space utilization standards. CIA also endorses and will participate where possible in development of housing plans and programs.

With regard to transfer of additional CIA functions outside the NCR, CIA has already done this to the maximum extent feasible. In order to relieve CIA's current space congestion, a special, high-level committee reporting to the Deputy Director of Central Intelligence was convened to review the mission and space needs of each and every CIA component in the NCR. Because of CIA's intelligence dissemination mission and the need for close liaison with the White House and executive agencies located in the NCR, it was determined impracticable to further decentralize CIA's headquarters staff.

The opportunity to comment on GSA's proposed policy is appreciated. If CIA's position seems strident, it is because implementation of a [redacted] reduction would be directly translated to a reduction of CIA's [redacted]. It is hoped that you will give CIA's position consideration when your policy is implemented.

Sincerely,

~~Signed: James H. McDonald~~

James H. McDonald
Director of Logistics

cc: ✓ER
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Executive Registry
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Admiral Stansfield Turner
Director
Central Intelligence Agency
Washington, DC 20505

Dear Mr. Turner:

On October 27, 1977, the General Services Administration (GSA) presented a paper at the Assistant Secretaries Management Group. This paper, entitled Policy for Acquiring Space in the National Capital Region (copy enclosed), deals generally with three major points:

1. An immediate reduction of each agency's office space holdings by 10 percent.
2. A 5-year housing plan developed by the agencies in concert with GSA.
3. The possibility that certain agency functions can be located outside the National Capital Region (NCR).

The enclosed paper, as the cover sheet states, is merely an outline of a new policy. Before this policy is refined and formalized, we are asking each agency to submit in writing any comments, suggestions, or recommendations that might aid us in developing a firm, workable policy which will enable us to meet the Administration's goal of achieving optimum utilization of space. As the enclosed chart demonstrates, over the past 27 years the overall utilization rate for space occupied by Federal agencies in the NCR has increased sharply, contributing significantly to the cost of the Government. With your help, we can reverse this trend.

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Sincerely,

John F. Galvani
JOHN F. GALVANI
Regional Administrator

Enclosures

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POLICY FOR ACQUIRING OFFICE SPACE IN THE NATIONAL CAPITAL REGION

1. Agencies, in concert with General Services Administration (GSA), will develop a 5-year housing plan. The housing will have as its basis the effective and efficient performance of the agencies' missions and programs. Incorporated into the plan will be such space saving approaches as consolidation, optimum space utilization and reduction of inadequate and obsolete space. A task force will be formed within GSA Region 3 to work with the agencies in developing these plans.

2. This plan will reflect, in part, an immediate minimum reduction in office space of 10 percent, based on a review of the agency's present space holdings.

This 10 percent will be used to satisfy outstanding space requests which meet the criteria in B, below.

Any request for space in excess of the 10 percent recapture should be reviewed by the agency for the following:

A. Is it essential from a program standpoint that the function for which the space has been requested remain in the National Capital Region or could it be located elsewhere?

B. Any requests for additional space must concern themselves only with personnel ceilings approved, authorized and appropriated by the Office of Management and Budget and budgeted for FY 1978 and 1979, and must contain a certification to this effect from the Under Secretary for Administration or an equivalent official.

On all major requests for space, GSA will conduct a joint survey with the requesting agency of the agency's space holdings to determine if all, or part of the request can be satisfied within the agency's existing holdings or will require acquisition of additional space.

3. Any portion of the aforementioned recaptured space not needed to accommodate existing requirements as defined above will be returned to GSA for reassignment.

POLICY FOR ACQUIRING SPACE IN THE NATIONAL CAPITAL REGION

Attached hereto is a paper outlining the new policy of the General Services Administration (GSA) governing the acquisition of space in the National Capital Region.

The purpose of this policy is to effect the Administration's goal of achieving optimum utilization of space. This can be accomplished through the joint efforts of GSA and the other agencies of the Federal Government.

Presented at the

Assistant Secretaries Management Group

October 27, 1977